

**TLOU ENERGY LIMITED**31 May 2017

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**Tlou Energy Limited****("Tlou" or "the Company")****Seismic Survey Contractor Appointed**

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Tlou Energy Limited, the AIM and ASX listed company focused on delivering power in Botswana and southern Africa through the development of coal bed methane ("CBM"), is pleased to announce that it has appointed Velseis Pty Ltd ("Velseis"), an experienced seismic survey contractor, to undertake a fully funded seismic survey for both its 100% owned Lesedi CBM Project ("Lesedi") and the adjacent Mamba Permit.

**Highlights**

- **250 km 2D seismic programme targeted to commence Q3 2017**
- **Target areas considered to be highly prospective for the addition of Gas Reserves**
- **Aim to increase Gas Reserves at both the Lesedi and Mamba projects**
- **Results will facilitate location of vertical drill holes to further confirm Gas volumes in the ground**
- **Positive results will further de-risk the Lesedi project**

**Tlou's Managing Director Tony Gilby said,** "Tlou is extremely pleased to be working with Velseis, a company with significant seismic experience. This survey will give us the opportunity to expand our Gas Reserves and Resources as we progress towards developing the first CBM gas to power project in Botswana.

The seismic survey will assist in the next step of our plan to drill more wells by providing us with enhanced knowledge of the sub-surface in our project areas. Results from subsequent core well analysis may also lead to further Gas Reserve and Resources and consequently add further value to Tlou.

We look forward to updating the market as the seismic programme progresses."

**Further Information*****Seismic Survey***

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The seismic survey has been increased in size from that originally envisaged and will consequently enable the Company to benefit from economies of scale while increasing coverage beyond the known Gas Reserve areas currently mapped.

In relation to the latter, potential gas reservoir compartments have been identified by Tlou outside the currently mapped Gas Reserve areas. These compartments have relatively sparse geological control other than the existing aeromagnetic data (which was recently reprocessed by our Reserve Certifiers). New seismic control is anticipated to potentially expand Gas Reserves and/or Resources beyond the currently mapped areas should it be demonstrated that continuity of gassy coal exists.

Velseis will use their 'Envirovibe' acquisition source technology to acquire the data. The sequence of events includes:

- Acquisition planning and logistics
- Mobilisation of equipment to Botswana
- Acquisition of 2D data
- Demobilisation
- Preparation of acquisition report
- Interpret data and preparation of an Interpretation report
- Integration with the reprocessed aeromagnetic data

Velseis Pty Ltd is an Australian seismic acquisition and processing company providing a fully integrated range of seismic technologies. Velseis has built a reputation as the leading Australian contractor in this field, with over 25 years of experience throughout the Asia-Pacific Region. The company provides contracting services for coal, mineral and hydrocarbon exploration utilising a variety of sources including Vibroseis.

**Project Development update**

Excellent progress is being made on all aspects on the proposal due to be submitted to the Government in July 2017, including the Feasibility Study for the upstream project being conducted by Tlou and the downstream element being done by Tlou's strategic development partner Independent Power Corporation PLC.

A detailed Transmission Line study has been conducted by highly experienced South African consultants and significant analysis undertaken on different options for connection of the Lesedi field to the Botswana power grid. The results of this study will soon be presented to Botswana Power Corporation.

Other aspects of the proposal including, environmental, land access, field development and economic modelling are all progressing towards completion. Once the final document is completed we will provide a further update on the project.

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In addition to the potential 100MW power project, the Company is also pursuing other gas offtake opportunities in the region which could include options for sale of gas or power via Compressed Natural Gas and the export of power via the Southern African Power Pool.

For further information regarding this announcement please contact:

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**Company Information**

Tlou Energy is an AIM and ASX listed company focused on delivering power in Botswana through the development of coal bed methane ('CBM') gas. Botswana has a severe energy shortage and is currently relying on expensive imported power and diesel generation to deliver its requirements. However, as the 100% owners of the most advanced gas project in the country, the Lesedi CBM Project, Tlou Energy provides investors with access to a compelling immediate and longer term opportunity using domestic gas to produce power and displace expensive diesel and import power market.

The Company is led by an experienced Board, management and advisory team including individuals with successful track records in the Australian CBM industry.

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Since establishment in 2009, the Company has significantly de-risked the project in consideration of its goal to become a significant gas to power producer. The Company has the most advanced CBM project in Botswana and flared its first gas in 2014. It holds 10 Prospecting Licences covering an area of ~8,300Km<sup>2</sup> and the Lesedi Project already benefits from significant independently certified Contingent Gas Resources of ~3.2 trillion cubic feet (3C) and independently certified Gas Reserves.

The Company is planning an initial scalable gas-to-power project in Botswana. Following successful implementation of this first scalable project, the Company plans to expand to provide further power to Botswana and the southern African region.

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